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NPTA MANAGEMENT NEWS

JULY 1986

Printing merchants had it the toughest in quarter
Longer industrial collection periods
Sales gains were tougher to get
NATIONAL PAPER TRADE ASSOCIATION

Paper Distribution's 1985 Financial Performance: A Mixed Bag

MR. ED KIANKA
CONGRESSIONAL INFORMATION SVC
4520 EAST WEST HIGHWAY
BETHESDA, MD 20814

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DIXIE MARATHON® PRODUCTS

AD NO. 11-85

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COVER PHOTO: Richard Chesnut

MDS HAS COMPLETED ITS RESTRUCTING

Mohawk Data Sciences has been restructured and announced the sale of five of its domestic business units to focus its energies on its remaining MDS Qantel computer operations. The reason for this action, states Matthew Tutino, Mohawk's president and CEO, is to "strategically place Qantel and its subsidiaries on a solid financial footing on which they can expand worldwide."

There were no pieces of the Qantel operation sold during the restructuring, Tutino pointed out, and Qantel customers will continue to receive the "high quality maintenance standards that they currently enjoy."

FORMER NPTA CHAIRMAN "WINS THE STORE"

Former NPTA chairman Lionel W. Eltis of The Paper Shack & Container Store, Bossier City, LA, recently won the contents of a 2,000+ square foot model retail store in a special giveaway at the National School Supply & Equipment Association (NSSEA) spring trade show in St. Louis.

Eltis, whose company is currently in its first year in the school market, won the prize of exhibitor-donated merchandise and fixturing to his doorstep.

"My wife Shirley (the company's vice president) and I were absolutely thrilled to win...and it couldn't have happened at a better time," recalled Eltis. "We were right in the process of opening a new store, and thanks to the NSSEA giveaway, our store is practically filled."

Eltis is currently planning to integrate his recent winnings into the layout of his new 3,350 square foot retail store.

NPTA CONVENTION PLANS IN HIGH-GEAR

For those debating whether to attend the 1986 NPTA Convention and Exposition September 13–16 in Boston, here is some news that might help those on the fence decide. This will be a record-breaking event. The 1986 Paper/Plastics & Allied Products Exposition is almost sold out.

Hospitality suite requests are coming into NPTA headquarters in record numbers. Suppliers have realized that the 1986 Convention and Exposition will attract many more merchants simply because it is being held in Boston this year and they want to be there to greet their customers.

A more convenient registration system was put in place this year, too. For all those who register by mail, badges will be sent to them before they leave for Boston—no waiting on registration lines.

Be on-hand at the September 15 Chairman's Luncheon when the Stanley O. Styles Industry Excellence Award is presented to Howard C. Ris, chairman emeritus of the Ris Paper Company. The keynote address will be given by Ambassador Jeane Kirkpatrick.

Plan now to attend. Information on low air fares may be obtained from Rich World Travel at 1-800-431-1130. Early air reservations will save even more money for all Convention goers.

Come to Boston. Be a Paper Performer!

EVENTS

AUGUST

21–23. *Quick Print Expo sponsored by the National Association of Quick Printers, Hyatt Regency Hotel, Chicago, IL. Contact Philip Battaglia, Quick Print Expo Manager.*

SEPTEMBER

13–16. *NPTA Annual Convention and Paper/Plastics & Allied Products Exposition. Sheraton Boston Hotel, Boston, MA. Contact NPTA.*

OCTOBER

16. *Productive Opportunities for Paper Merchants. New York, NY. Contact NPTA.*

27–31. *Printech Week. Rochester Institute of Technology, Rochester, NY. Contact NPTA.*

NOVEMBER

3–4. *The Second International Unbleached Kraft Conference, Waldorf-Astoria Hotel in New York, NY. Contact* Pulp & Paper *magazine. 212-683-9294.*

10–15. *Paper Distribution Management Development Program. Miami University, Oxford, OH. Contact NPTA.*

16–23. *New York Paper Merchants Association's 1986 Seven Day Seminar & Cruise on board the Carnival Cruise Lines Superliner "Festivale." Contact NYPMA. 212-867-9660*

18–19. *Industrial Sanitary Supply Symposium—"Sanitary Supply: The Role of the Industrial Paper Merchant." Atlanta, GA. Contact NPTA.*

THE TIGER NEVER SLEEPS

CPI's PAPER TIGER

A CUSTOM SOFTWARE PACKAGE DESIGNED FOR THE PAPER MERCHANT

Paper Tiger is the result of thousands of hours of research into the specific operational requirements of the paper merchant. We first studied and addressed the unique inventory, cost, purchase, substitution and ***SALES/SERVICE*** data critical to the industry. Only then did ***CPI*** begin work on the software design we call ***Paper Tiger.***

The result? Stated simply, ***Paper Tiger WORKS.*** It's the ***COMPLETE*** system for the paper merchant. It gives you instant access to accurate, timely data that helps provide your customers with better service. As a result you sell more product, operate more efficiently and are more profitable.

If you think that these are pretty tough claims, you're right. But ***CPI*** and ***Paper Tiger*** deliver on every one of them—and more.

So, why not give us a call. We'll send you, with no obligation, an information package that details how ***Paper Tiger*** can improve your business. And you'll be taking the first step towards better sales, service and profits, plus one more extra we didn't mention—peace of mind.

CPI, Inc.
Route 34 & Artisan Way, Post Office Box 188
Colts Neck, NJ 07722
1-201-462-8900

WHAT KIND OF SELLER ARE YOU?

In a recent issue of Psychology Today, Dr. Donald J. Moine identified four basic selling styles used by professionals. It is interesting to see where you or your sales people fit.

CLOSING SELLERS

These are people who are intense and self-confident. They are status-conscious individuals who use the power of their emotions in their sales, but do not use customers for their own emotional satisfaction. These are the sellers who usually like the "big-ticket" sales.

CONSULTIVE SELLERS

Those are usually aggressive, independent people who are more concerned with "class" than "flash." They see themselves as highly skilled technicians who are good problem solvers. They know trends and can help customers take advantage of the changes in the marketplace.

RELATIONSHIP SELLERS

Those "relationship sellers" are hard-driving people who are very empathetic to the customer and his needs. They seek to build loyalty over a long period of time and are successful because of their patience and persistence. They are very good with their on-going accounts.

DISPLAY SELLERS

Practitioners of "display" selling are often friendly and low-key. They may be less overtly achievement-oriented than the other types, but may be very successful. They are stimulated by dealing with people and so can often increase the dollar value to many sales.

24% INCREASE FORECAST FOR PAPER DEMAND BY 1995

Leading the way to 1995 will be the growth in need for business forms, inserts, catalogs and copier paper. According to a new report by Communication and Information Services, titled "U.S. Demand for Paper Grades in a Competitive U.S. Market," the growth in copier papers and forms bond is a "primary driving" force behind uncoated freesheet demand.

The authors of the report told *Paper Trade Journal* that the widespread use of computers and copiers will expand the need for uncoated papers thus contributing to a 24% increase in demand.

The demand for commodity printing paper grades is growing faster than the real GNP and that is not expected to change in the foreseeable future. Other projections include: Imports of better quality paper will rise; carbonless growth will be strong; changes in the packaging industry; large plastic grocery sacks will increase their market share to 75% by 1995.

KELLY PAPER CELEBRATES

A Golden Anniversary is being celebrated by Kelly Paper Company in Los Angeles, CA this year. The printing paper distributor is celebrating, reports chairman J. Arthur Kelly, by planning for their next 50.

Robert Carvell has been named president of the company and Bruce A. Kelly, who joined the family business in 1969, was named vice president human resources.

FRED C. STRYPE ACQUIRED

Fred C. Strype, Inc., a 75 year old company headquartered in Ridgewood, NJ has been acquired by Paper Corporation of United States. Over the past 30 years, both companies have had a friendly business association.

The companies feel that combining their efforts will be mutually beneficial and feel that their customers will be better served.

The company was founded soon after the turn of the century by Fred C. Strype, Sr. The company reported that "we believe he would be pleased that this association has been arranged."

NEWS BRIEFS

DEES PAPER COMPANY of Mobile, AL, has opened a new distribution center in Gulfport, MS. The new branch is managed by Wayne Jones who has had many years of experience in the paper business.

MERCHANT SALES COMPANY of Greensboro, NC has been recognized by Disco, Inc. for outstanding sales achievement for being the first representative of their products to exceed $1 million in sales.

HAMMERMILL PAPERS GROUP recently invested $13 million in their Lock Haven facility and it "is producing results beyond expectations," says group president Robert F. Meyer.

FONDA GROUP is only two years old. In the short time since the company was purchased from Saxon Industries, sales have gone from $60 million to over $100 million today.

PAPER CORPORATION OF UNITED STATES has presented the Phoenix Imperial Award of Excellence to three merchants: Copco Papers, Columbus, OH; Copco Papers, Toledo, OH; and Dillard Paper, Augusta, GA.

COAST PAPER, Canada's largest independent printing paper distributor, has just opened a Toronto division. The 40,000 square foot facility will house paper from Canadian, US and other sources. Coast has serviced the printing paper trade in Canada for over 45 years.

SMALL BUSINESS ADMINISTRATION has many answers for paper distributors. Problems with the Federal Government, or questions about procedures? Call the SBA Answer Desk: 800–368–5855.

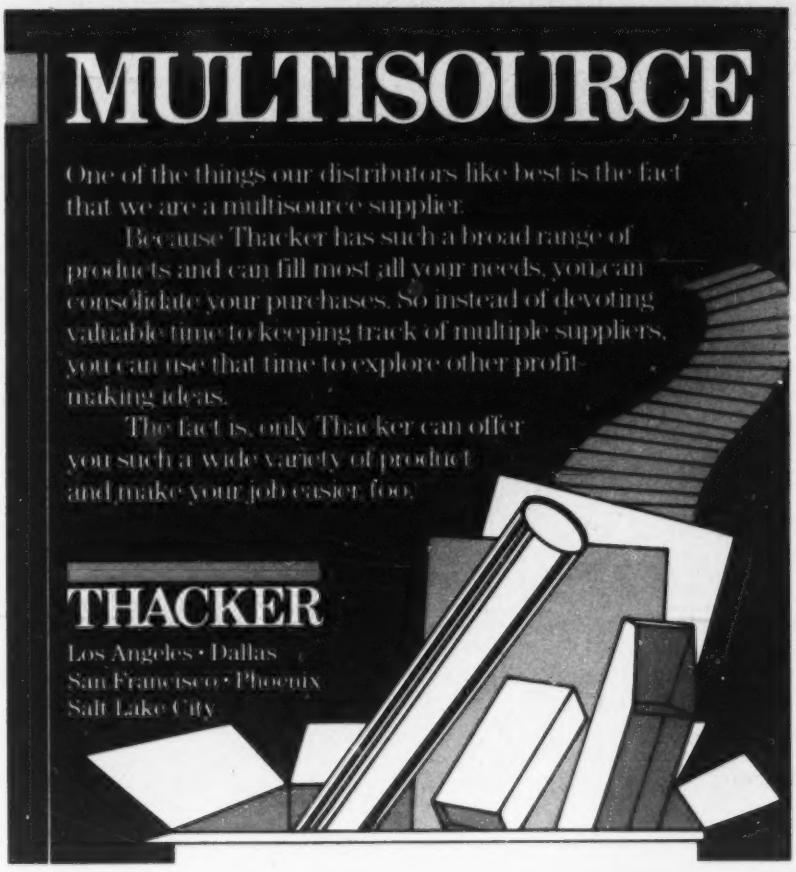
PAPER DISTRIBUTION MANAGEMENT DEVELOPMENT PROGRAM is run twice each year by NPTA at Miami University in Oxford, OH. If interested, request to view a copy of the 15 minute promotional video tape (VHS). There is no charge to borrow the tape. Contact the NPTA Education and Training Department: 516-829-3070.

DISPOSABLES are great for vacations touts the Single Service Institute. Here are five good reasons why: 1. *Safety*—plastic and paper cups and plates don't break; 2. *Lightweight*—the products are lighter and easier to carry; 3. *Sanitary*—use it once and throw it (and any germs) away; 4. *Convenient*—after use, they are disposed of and so don't take up any space in the car; 5. *Quieter*—no clatter like with reusables!

GEORGIA-PACIFIC is quite proud of its new "world-class" paper machine that has started up ahead of schedule in Port Hudson. It is running at speeds in excess of 2,300 feet per minute.

WEYERHAEUSER EXPANDS PAPER TESTING LAB

The Weyerhaeuser Analytical and Testing Facilities announced the expansion of its state-of-the-art Physical Testing Laboratories Services to industry markets nationwide. The company reports that the new venture offers a center of technical expertise that has been recognized worldwide.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One of the things our distributors like best is the fact that we are a multisource supplier.
Because Thacker has such a broad range of products and can fill most all your needs, you can consolidate your purchases. So instead of devoting valuable time to keeping track of multiple suppliers, you can use that time to explore other profit-making ideas.
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PAPER DISTRIBUTION INDUSTRY
BEST SELLERS

Rank	Publication	Last Mo.
1	The U.S. Paper Distribution Industry: A Market Research Data Source. *NPTA.*	1
2	Implementing Successful Paper Merchant Programs. Video Tape and Guide. *NPTA.* $65	2
3	Increasing Profits Through Better Marketing. *Healy.* $35.	—
4	Strategic Planning: A Fitness Program for Wholesaler-Distributors. *Andersen.* $35	3
5	Automated Inventory Management for the Distributor. *Graham.* $35	4
6	Harvest the Fruits of Paper Selection (Marketing Tool). *NPTA.* $.50 each	5
7	Introduction to Wholesale Distribution. *Danenburg/Moncrief/Taylor.* $35	6
8	Practical Handbook of Distribution/Customer Service. *Blanding.* $40	7
9	Industrial Paper Merchant Sales Compensation. *NPTA.* $40	8
10	Merchandising to Maximize Your Margins. *VanDeMark.* $25	9

ALL PUBLICATIONS ARE AVAILABLE FROM NPTA

The laboratories offer a wide array of paper testing services and are located in the Weyerhaeuser Technology Center in Tacoma, WA.

NEW YORK PAPER MERCHANTS PLAN SEMINAR AT SEA

The New York Paper Merchants Association will try to top their 1985 seminar trip to Rio with a cruise this year. The 1986 event will be held November 16–23 aboard the Carnival Cruise lines superliner "Festivale."

The cruise is open to all paper merchants, their suppliers and friends and will visit five ports of call during the seven day trip. For more information, contact Alan Wechsler at 212–867–9660.

BECKETT HOSTS MERCHANT REPS

The Beckett Paper Company recently held its semiannual Merchant Sales Conference at the Marcum Center of Miami University, Oxford, OH. (The same place where NPTA holds its Paper Distribution Management Development Program.) The conference site is 12 miles from the Beckett paper mill in Hamilton, OH.

Thirty merchant representatives from across the country attended the two-and-one-half day session. Beckett sales representatives and department heads presented information and led discussions on text paper characteristics, Beckett product knowledge, time and territory management, and sales and communication skills. At the end of the session, attendees were given a tour of the Beckett mill.

This training program is one of several offered by Beckett to its merchants to assist in maintaining a high degree of professional skill in the market, the company reported. The next Merchant Sales Conference will be held October 13–15, 1986.

PEOPLE IN THE NEWS

Ray J. Lincks has been appointed vice president and general manager of WWF Paper Corporation-Florida.

Charles H. Roos has been named vice president and general manager of Apache Paper Company, St. Paul, MN.

Bill Ellis and Barry Smith have been elected new directors of Leslie Paper Company, Minneapolis, MN. Dennis LaMontagna was named vice president and assistant regional manager of the company's Chicago Paper operation. Jim Jahnke was appointed vice president operations and Tom DiGanci has joined the company's printing paper mill department.

William E. Kelley has been named president of the New England Division of Carter Rice.

Eugene M. Frame has been appointed vice president marketing for printing paper in the Southeast area of Mead Merchants. John F. Mitro has been named vice president, packaging for Mead in that same area.

Bill Guilbeault has been appointed manager, human resources for Gilbert Paper Company.

Frank J. Carfioli was named national sales manager for produce and food service packaging for the Molded Fibre Products Division of Packaging Corporation of America.

Jack Mitchell has been promoted to product manager in the Printing Products Division of MACtac.

Larry Swanson of Freeman Paper Company of Green Bay, WI has been appointed to the Manufacturers Advisory Board of Manufacturers Representatives of America.

William E. Curtis has been named general sales manager for Penntech Papers.

Rosemary Maimone has become sales manager of Amko Plastics, Inc.

John D. Roberts has been named Mid-Atlantic sales manager of Mail-Well Envelope.

Murray J. Harpole, chairman of the board of Pentair will retire on October 31st of this year. D. Eugene Nugent, currently president and CEO will become chairman and CEO. Tony Johnson, the company's executive vice president and COO will become president.

Sanford W. LeVine has been appointed general manager, eastern regional retail bag sales for the Stone Container Corporation.

Larry Meyer has been promoted to national accounts manager for Avery International's Consumer and Office Products Group. Larry Velte has been promoted to Western Regional manager for the Group.

MERCHANT SALES CONFERENCE – MARCH, 1986

THE HANDI-POUR SYSTEM

New! Dependable brand name products in an economical pre-measured concentrate system.

Pre-measured concentrates make sense.

Drackett pre-measured concentrate chemicals help to insure precise dilution ratios for consistent cleaning results every time. They help to reduce waste, misuse and costly mistakes. Packaging is color coded for instant identification.

Brand name products you can trust.

The Handi-Pour™ System offers one important feature no one else does...the proven performance of Drackett quality. There's Windex® Glass Cleaner, Renuzit® Air Freshener, Vanish® Bathroom Cleaner, Mr. Muscle™ All Purpose Cleaner and Mr. Muscle™ Degreaser. Each has been formulated for maximum cleaning performance when diluted.

Unique 2 1/2 Gallon Dispenser.

The custom designed 2½ gallon dispenser is easy to handle, lightweight and makes refilling fast, easy and convenient.

Quality, performance, dependability in an economical pre-measured concentrate system. The Handi-Pour System from Drackett.

Drackett
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our job is making yours easier™

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PRINTING PAPER

OFF-SHORE SUPPLIERS STRIVE TO KEEP MARKET POSITION

U.S. imports of printing papers from off-shore suppliers (that is, excluding Canada) reached an unprecedented 1.289 million metric tons during 1985—an increase of 4.4% or 54,000 metric tons over 1984 levels. While off-shore imports of uncoated groundwood and uncoated free sheet declined during 1985, imports of coated papers (both groundwood and free sheet) and newsprint continued upward.

The overall off-shore market penetration (based on U.S. consumption) reached 4.4% during 1985, with the strongest positions noted for both uncoated groundwood and supercalendered printing paper grades (See table).

Based on the findings of Walker Wiener Associates recently completed study, off-shore imported papers should maintain most of their newly gained market positions over the near term. Despite the drop in the value of the U.S. dollar, off-shore imports are likely to continue from several major worldwide producers who have targeted key segments of the U.S. printing paper market for long term growth.

"The Outlook for Imported Papers in the U.S. Market (1985–1990)—Threats and Opportunities in the U.S. Printing Paper Market" represents a recently completed multi-client study developed jointly by Walker Wiener Associates (a Briarcliff Manor, NY based market research firm specializing in paper, printing and print media), Jaakko Poyry Oy (Helsinki, Finland) and Walker Watson Associates (Guildford, U.K.).

"The U.S. market can no longer be considered to be a provincial market, and will be subject to continuing pressures from off-shore suppliers" the study reports. "The globalization of buyer attitudes is basically a function of quality and performance, with the direct measurement on the bottom line. Old line relationships appear to have less of an impact on future buying decisions," the study concludes.

HARD COPY SUPPLIES TO INCREASE 65% BY 1990

According to Charles E. Case, director of the Hard Copy Supplies Market Requirements Service, the incredible growth in hard copy supplies (HCS) will not cease. "During the 1990's," he predicts, "for the first time, annual sales revenues for supplies will rival that of annual hardware revenues. This is due to the huge, growing installed base of hard copy output devices, estimated today at over 10 million units."

Hard copy supplies are defined as: paper, business forms, toners, impact ribbons, ink jet inks, thermal ribbons, photoreceptors, and transparencies.

The first annual Hard Copies Supplies Conference was recently held in Miami, FL. At that meeting, C.A. Pesko Associates, Inc. reported market estimates for hard copy supplies through 1990. Their analysis was based on in-depth market research and they concluded that sales of HCS will increase from $12.3 billion in 1985 to $20.4 billion in 1990—a total increase of 65% or a compound annual growth rate of 11% per year.

The breakdown of supply products and their sales can be seen in Table 1. When business forms are combined with paper, the net result for the "paper segment" for 1985 is $8.4 billion or 68% of total dollar sales. Interestingly, by 1990 it is predicted that it will represent 63% of the total dollars spent.

"The supplies market has reached a crucial point in its growth and development," Case said, "Since 1965 when hard copy output markets consisted of copiers, duplicators and impact printers, the supplies market has experienced steady growth and stability. In later years, this growth was enhanced with the development of non-impact printers, color printers and facsimile systems."

When viewed by type of output device, the dollar sales volume of supplies shows the great growth in materials needed for specific applications. Table 2 illustrates this projected growth.

"Beginning in 1982," said Case, "the development of new technologies...created a major shift in the channels of distribution in the supplies market." The advent of the personal computer and their associated peripherals spread the need for supplies beyond the office. The actual number of printing engines is expected to increase greatly in the next five years thus fueling the need for supplies.

(see Tables on page 12)

U.S. IMPORTS FROM OFF-SHORE MARKETS

GRADE	1984	1985	% CHANGE	SHARE OF U.S. CONSUMPT.
	(000 of Metric tons)		(%)	(%)
Newsprint	193	334	73.1	2.9
Uncoated Groundwood*	471	441	(6.4)	17.1
Coated Groundwood	223	260	16.6	7.7
Coated Free Sheet	99	115	16.2	5.0
Uncoated Free Sheet	249	139	(44.2)	1.5
Total	1,235	1,289	4.4%	4.4%

* Includes S.C. papers

SOURCE: WALKER WIENER ASSOCIATES

The Paper And Plastics Education Research Foundation...

...Invites Your Support

The Paper And Plastics Education Research (PAPER) Foundation was created because there is a perceived need to have merchants and mills work together to study, understand and respond to changes, trends and developments in the distribution of paper, plastics and allied products.

The PAPER Foundation will work primarily on two levels; research projects developed and funded through regular Foundation activities, and research projects developed and funded through the special division of the PAPER Foundation, the Endowed Research Chair of Paper Wholesaling at the University of North Florida.

The PAPER Foundation Endowed Chair at the University of North Florida

There are several advantages of an Endowed Chair concept for conducting research.

1

Top quality academicians can be attracted to conduct research. They bring years of experience, background and knowledge with them.

2

The resources of a university (reference libraries, computerization, graduate assistants, pooled academic knowledge, etc.) can be harnessed for a project.

3

All of the above mentioned resources can be used at a cost much less than the cost structure of professional consultants.

4

A one-time payment to set up the Chair creates an ongoing income stream. This breaks the cycle of meaningful projects in search of funding. It will allow a majority of research time on the part of sponsoring organizations to be spent on managing the research and not fund raising.

5

A regular stream of income will also allow for better planning of the effort. The Foundation can take on projects based on its regular budget.

An opportunity to participate in the future of your industry.

Your tax-deductible contributions are welcomed.

TABLE 1

HARD COPY SUPPLY PRODUCT GROUPS

ESTIMATED SUPPLIES REVENUES ($ IN MILLIONS)

SUPPLY PRODUCT GROUPS	1985	1990	COMPOUND ANNUAL GROWTH RATE
Paper	3,797	6,843	12%
Business Forms	4,578	6,044	6%
Toners	632	1,222	14%
Impact Ribbons	1,025	1,714	7%
Ink Jet Inks	21	277	67%
Thermal Ribbons	67	817	65%
Photoreceptors	1,986	3,281	11%
Transparencies	167	436	21%
Total	$12,273	$20,392	11%

Source: C. A. Pesko Associates, Inc.

TABLE 2

HARD COPY OUTPUT MARKETS

ESTIMATED SUPPLIES REVENUES ($ IN MILLIONS)

OUTPUT MARKETS	1985	1990	COMPOUND ANNUAL GROWTH RATE
Copiers	4,583	7,111	9%
Duplicators	1,189	1,258	1%
IC/Ps	1,340	3,528	24%
Impact Printers	5,100	7,089	7%
Color Printers	32	934	96%
Facsimile	29	72	20%
Total	$12,273	$20,392	11%

Source: C. A. Pesko Associates, Inc.

WEST COAST PAPER'S TYPE COLLECTION AMONG TOP IN U.S.

The American Printing History Association (APHA) recently reported on the major collections of 19th century type in America and revealed that the collection held by West Coast Paper Company, Seattle, WA is one of the largest in the country. The "William O. Thorniley Collection" at West Coast contains 665 complete antique type fonts.

Holding the sixth largest type collection in America is important to West Coast Paper Company. They have housed it in two rooms that are replicas of a 19th century print shop. The facility is used as an educational tool with both customers and local school children.

West Coast Paper prizes its collection very highly. It is a treasure that has not been recognized nationally.

INDUSTRIAL PAPER

MALCOLM KNAPP REPORTS HIS FOODSERVICE OUTLOOK

As reported in *Single Service News*, capturing customers is still the name of the game with promotional activity and television advertising levels intensifying. The new key word for the immediate future is *oil*. The oil price decline from the mid $20s per barrel to perhaps high single digit will put about $25 to $30 billion into the economy. This is particularly good news for the fast food sector of the foodservice industry. The lack of ready cash slowed growth in the foodservice industry last year and partially into this year.

Since consumers tend to pay cash for gasoline, much of the gasoline money will now be available for other purchases. Fast food, in particular, will benefit from the increased availability of cash because of the "impulse" nature of the transaction. A likely increase in automobile family vacations of the "drive about vs. destination location" type will also benefit fast food operations. This would have its greatest impact in the summer season, which could result in good gains for the industry compared to last year. There should also be downward pressure on raw material costs.

Although retail sales in January and February were sluggish, eating place sales are up compared to last year because of better weather.

NEW HEALTH CONSIDERATION FOR PUBLIC RESTROOMS

According to a recent article by Barbara Selvin of Long Island's *Newsday*, women (and some men) are getting a

NATIONAL PAPER TRADE ASSOCIATION, INC.

The 1986 Annual Convention

AND PAPER/PLASTICS AND ALLIED PRODUCTS

Exposition

September 13-16, 1986
Sheraton-Boston Hotel, Boston, Massachusetts

Paper distributors from every state in the Union and 16 foreign countries will meet in Boston for the major event of the year: NPTA's Annual Convention and Paper/Plastics and Allied Products Exposition.

Plan on being there for important workshops and seminars, a chance to meet the leaders of the industry, share ideas, and learn what's new on the market for paper distributors.

Expo '86 will feature paper, plastic and related products including health care disposables, retail and industrial packaging, food service items, sanitary supplies and equipment, non-wovens, foils, tapes, wraps and other specialties. Computer hardware and software designed specifically for paper distributors will also be displayed.

Don't miss NPTA's Convention and Expo '86—The Show, The Meetings, the Special Events...all waiting for you in Boston!

Exposition Management:
Scherago Associates, Inc.
1515 Broadway
New York, New York 10036
(212) 730-1050

Sponsoring Organization:
National Paper Trade Association, inc.
111 Great Neck Road
Great Neck, New York 11021
(516) 829-3070

small but pleasurable surprise when they need to retire to restrooms in the New York metropolitan area. It's a new product called Hygolets—a battery-powered toilet seat cover.

"Most men don't realize what women go through on a regular basis, just trying to go to the bathroom," says Paul Kohler, a partner in Hygo-let-Northeast, which has distributed the product in the metropolitan area since February.

Ah yes, the perennial problem: finding a public toilet where the previous occupant has been less than fastidious.

Restaurant and building managers say the new product has brought bravos from patrons. "People come in here a lot to use the bathroom. We're the only one in the mall," said Scott Young, the steward at Emmett's, a year-old restaurant in Carle Place, NY. "And they do admire our toilet seats."

The Hygolet, which costs $149.95 plus about three cents a cover, consists of a battery-powered motor mounted in a housing on a standard toilet seat. When a user pushes a large red button on the left side, the motor pushes a roll of tubular plastic around the seat and onto a takeup reel on the right. Every user gets a fresh seat of plastic.

Kohler said he's been selling Hygolets to restaurants to gain visibility in high-traffic sites. He's also distributing the product through janitorial-supply houses. So far, he's sold 2,000 units to 900 customers, from furriers to brokerage houses.

The product was invented in Switzerland four years ago and is made in San Francisco for its U.S. distributors. Kohler and his partner, Patricia Smith, have invested $150,000 and hope to raise $500,000 more through a private stock sale.

You might say they're feeling flushed with success.

DISPOSABLES MAY IMPROVE SEX LIFE

Using disposable plates may help improve an overworked couple's sex life, says a sex therapist in a recent article in *Prevention* magazine. Couples who are overworked and overburdened with responsibilities may benefit from eliminating some household chores, such as washing dishes. It suggests a number of interesting promotional campaigns!

While this information is somewhat tongue and cheek, lifestyles have changed dramatically with regard to food disposables. With more and more married women working, less time need be spent in the preparation of food and the chores of dish washing.

All of this makes the use of food disposables that much more desirable.

THE IMPORTANCE OF INDUSTRIAL MANUFACTURING TO MERCHANTS

Based upon recent information from NPTA's annual PAR (Performance Analysis Report) financial surveys, the industrial manufacturer is a major customer class of industrial paper merchants. In 1982, this market was worth an estimated $2.94 billion and 32.1% of an industrial merchant's total sales. In 1983, the market was worth about $2.96 billion (29.9% of total sales), and in 1984, $3.78 billion (34.1% of sales).

Sales & Marketing Management magazine's April 28, 1986 issue included a Survey of U.S. Industrial and Commercial Buying Power. Considering the importance of the industrial manufacturing market, these merchants may be interested to know the top metro markets in manufacturing activity.

Continued on page 29

The 25 Leading Metro Markets in Manufacturing Activity

Rank	Metro Market	1985 Shipments ($ Mil.)	% Of U.S. Total	Total Plants
1.	Los Angeles-Long Beach	$74,924	3.66%	4,566
2.	Chicago	71,730	3.50	5,976
3.	Detroit	60,304	2.94	3,537
4.	Philadelphia	53,255	2.60	3,212
5.	New York	44,861	2.19	5,544
6.	Boston-Lawrence-Salem-Lowell-Brockton	38,988	1.90	2,939
7.	Houston	35,208	1.72	1,446
8.	San Jose	29,506	1.44	819
9.	Newark	24,693	1.21	1,912
10.	Minneapolis-St. Paul	24,388	1.19	1,598
11.	Cincinnati	21,067	1.03	972
12.	Cleveland	20,866	1.02	1,962
13.	St. Louis	20,843	1.02	1,499
14.	Beaumont-Port Arthur	19,760	0.96	119
15.	Dallas	17,987	0.88	1,317
16.	Nassau-Suffolk	17,902	0.87	1,838
17.	Milwaukee	17,805	0.87	1,243
18.	Oakland	17,277	0.84	749
19.	Bergen-Passaic	16,944	0.83	1,767
20.	Middlesex-Somerset-Hunterdon, NJ	16,032	0.78	809
21.	Seattle	15,752	0.77	814
22.	Pittsburgh	15,622	0.76	1,004
23.	Anaheim-Santa Ana	14,954	0.73	853
24.	Atlanta	14,509	0.71	1,054
25.	Baltimore	14,464	0.71	958

Source: Sales & Marketing Management, 1986 Survey of Industrial & Commercial Buying Power.

NPTA Annual Report

The National Paper Trade Association's fiscal year ended on February 28, 1986 and the NPTA Annual Report shows significant growth in both income and expenses. Membership growth was also significant this past year.

Many new membership services were launched and the Association's level of activity continued to increase.

NPTA FINANCIAL STATEMENT

Income	FY Ending 2/28/86	Percentage of Total	Revised FY Ending 2/28/85	Percentage of Total
Membership Dues	657.1	36	615.1	39
Convention & Exposition	375.1	20	362.9	22.7
Education & Training	285.1	15.8	254.1	15.9
Communications	217.9	11.9	160.0	10.0
Research & Statistics	45.3	3	41.4	3
PAPER Foundation	165.0	9	70.6	4.2
Investment Income	79.4	4.3	81.8	5.2
TOTAL	1,824.9	100.0	1,585.9	100.0
Expenses				
Membership Services	482.8	28.5	511.5	33.0
Convention & Exposition	242.1	14.3	241.3	15.4
Education & Training	379.5	22.4	321.9	20.5
Communications	323.8	19.2	213.0	13.6
Research & Statistics	143.1	8.5	142.5	9.1
PAPER Foundation	121.1	7.1	132.0	8.4
TOTAL	1,692.4	100.0	1,562.2	100.0

Membership

FY '85–'86 was an excellent year for membership for NPTA. Nearly 40 companies joined the Association and took advantage of all of the new services and products NPTA has produced. These firms accounted for over $30,000 in new dues.

For FY '86–'87 we already have 18 new members who will represent nearly $20,000 in new dues for the coming year.

NPTA is striving to offer new and worthwhile services to its membership. During the past year MN magazine has grown dramatically offering vital information and advice. NPTA has instituted a new insurance program which already has members reporting significant saving over what they had been using. We added a truck leasing consultant service to assist members in making the best transportation decisions. We added the new "NPTA Update," which helps members learn about the latest projects, services and products NPTA is offering.

This coming year NPTA staff will increase visits to both non-member prospects as well as current members to increase communication and improve relations. New member promotions will also increase so that we can represent even more of our industry and provide services to all. 1986–87 promises to be a wonderful year for membership.

Convention

The 1985 NPTA Convention and Exposition was an unqualified success. The Paper/Plastics & Allied Products Exposition was the largest show ever held by NPTA—in terms of both attendance and booths.

The Stanley O. Styles Industry Excellence Award was presented to Albert F. Duval of Hammermill at the Chairman's Luncheon. The keynote speaker, Henry Kissinger, helped draw 850 people to the event making it the largest NPTA luncheon in history.

With the interest in moving the Convention and Exposition to other cities, the 1985 event was the last to be held in New York. Plans now call for: 1986—Boston; 1987—Atlanta; 1988—Chicago; 1989—Anaheim; 1990—Chicago.

The 1986 Convention to be held in Boston may top the one in New York. Many special events, a large show and a terrific host city will all combine to make it a most memorable event.

Education and Training

The Educational and Training Department has focused its attention on providing programs for all levels of employees at a merchant operation. The direction of these programs has been toward both inhouse and outbased education.

In the field of outbased programming, an active seminar schedule was promoted during the last fiscal year 1985–86. Over 400 merchants representing 208 firms participated in the department's ten seminars—32 separate sessions. The department worked closely with numerous distributorships and consultants by bringing seminars to specific merchants or regional groups.

The two-week Management Development program held at Miami University, Oxford, OH and the one-week Printech Week at Rochester Institute of Technology continued to rank high with merchants.

In the area of inhouse training, the highly successful Professional Selling Skills PSS III (Xerox) program continued to be favored. New Xerox programs were also introduced—emphasizing skill development for customer service, tele-

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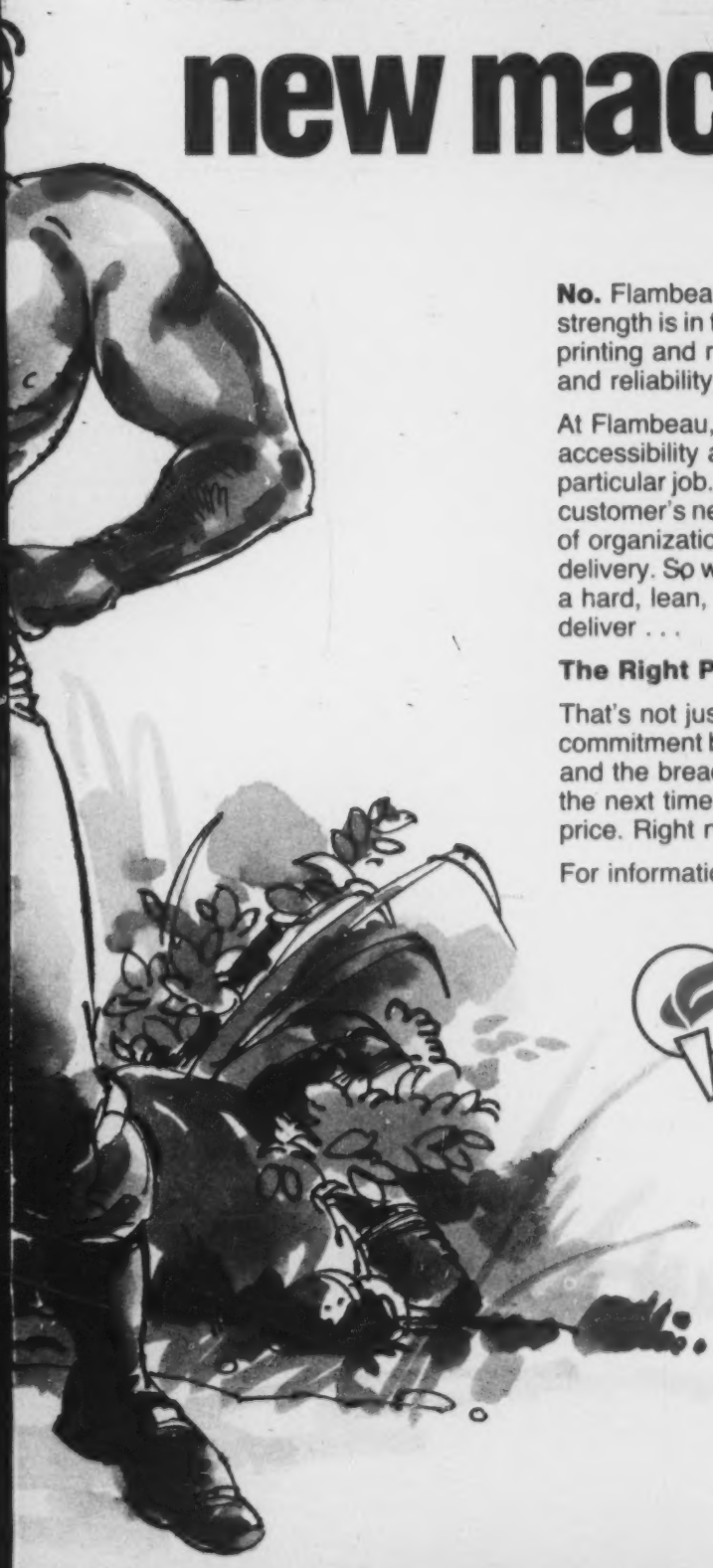

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The Education and Training Department also established a new relationship with the Carew Dimensions of Professional Selling program—a high-level sales training program for the experienced sales force.

New to NPTA's inhouse training was the release of two 1/2" VHS video tape programs: "The Role of the Paper Merchant" and "Implementing Successful Paper Marketing Programs." Both have been well received as the Association's first efforts in the video area.

Communication

The centerpiece of the NPTA communications program has been *Management News*. Just two years old (as a magazine), it has worked very well in bringing the NPTA message to the industry. It has grown and developed quickly and represents a combination of many useful membership services: trend information, news, statistical information on the industry, management methods to improve profitability, training support ideas, and more.

Other communication activities included: the development and distribution of publications, public relations and the sale of books from other sources. The NPTA publication business has continued to be one of its strong points and will continue to provide members a steady stream of useful materials.

Research

Fiscal year 1986 was indeed a busy one for the Research Department, characterized by increasing use of the computer in most departmental activities. Key goals that were met included: increased member awareness of research programs, service, refinement and modification of existing programs, and better management information.

A prime vehicle to communicate research information to members has become the monthly "Management Information" page of *MN*. During FY 1986, 22 total pages of financial and marketing analyses were produced. *MN* also promoted such programs as PAR, the Paper Merchant Sales Report, and a Quarterly Business Conditions Report.

The PAR (Performance Analysis Report) program represented a new high of $7.02 billion in paper merchant sales volume, and several regions were restructured. A significant number of members opted to file the condensed "Short PAR."

FY 1986 was also a year of perfecting and implementing new production methods for the monthly Paper Merchant Sales Report and the QBCR. As of January 1986, it was produced in-house by NPTA for the first time. The report now analyzes nine regions (vs. seven regions in the past) and three metro/city areas. A new Pacific Northwest region was created. The statistical portion of the report was removed from *MN*, printed on new letterhead and is now sent to members via a monthly first class mailing, reducing the time it takes for members to see the data.

QBCR test reports were run for the first two quarters of 1985. During this time, reporting methods were standardized, survey forms modified, and several

features added to computer programs. The first member reports have been produced for the first quarter of 1986.

Another accomplishment was the creation of a new and comprehensive study of the industry, based on data from the U.S. Commerce Department's 1982 Census of Wholesale Trade and historical data from NPTA's annual PAR programs and special surveys. *The Paper Distribution Industry: A Market Research Data Source,* quickly became a best-seller. This book replaced the annual section of NPTA's Roster, previously called the "FactBook."

Finally, service remained a key function of the Research Department. Over 75 member research projects were handled and many more performed for suppliers, associations, banks and industry consultants.

PAPER Foundation

The PAPER Foundation has been in existance for a short time but has already accomplished one major project. The *Growth Strategies for Paper Distribution* future trends study has yielded some important findings. To date, NPTA president John J. Buckley, Jr. has made over 20 presentations at industry and company meetings using these results.

Fund raising for the Foundation's $1 million Endowed Chair at the University of North Florida is nearly complete. It will not be long before the Foundation will be ready to seat an Eminent Scholar who will tackel tough paper distribution industry questions.

There are other projects on the horizon and as new information develops, NPTA members will be kept informed.

Industrial Paper Division

This past year has seen many new and exciting projects come out of the Industrial Paper Division Committee.

The Committee published "Industrial Paper Sales Compensation," a study and review of sales compensation in the paper distribution industry. It was the first study of its kind and it provided a wealth of new information on how our industry handles sales compensation.

The Committee also provided members with NPTA's first ever "Product Specific Symposium" on industrial packaging. This two day seminar was held in Chicago and was very successful. The Symposium focused on all facets of the industrial packaging industry and how merchants can get into the business. The Symposium was also video taped and will be soon offered to the membership for purchase.

The Committee also revised its Long Range Plan and divided its work into four product areas: food service, retail packaging, sanitary supply and industrial packaging.

Each year the Committee will do a Convention presentation, a publication, symposium and a survey—one each in these four areas.

The Committee plans to provide important valid information to an industry that is becoming more "specialized" in these product areas.

Printing Paper Division

The Association's Printing Paper Division has accomplished much in a short time. The revised "Quality Report" was released at the end of May, the Division's 1985 Convention program was published in video tape format and the Printing Paper Sales Compensation Survey was just launched.

Other important programs include: "Printech Week" held at Rochester Institute of Technology—the curriculum of which is being improved; educational modules for printing paper sales people are being developed in the area of product knowledge; and, the preparation of the 1986 Convention program.

The Division sees a good year ahead with the publication of the compensation survey and the development of the educational module series.

CHAIRMAN'S CORNER

Annual Report

And now a few words about NPTA. Our fiscal year ended February 28th, 1986. You will find the annual report of the Association in the issue. Much can be said about how our Association is doing. You can make your own judgement from the report. One significant item is, during this recently completed fiscal year, members received $2.00 in services for each dollar invested in dues. We are constantly striving to increase the rewards to our members.

During the year, 39 companies became new members of NPTA. We welcome their participation and encourage your help and theirs in showing remaining non-members the value of joining NPTA. NPTA membership represents a continually growing percentage of the paper merchandising and distribution business in the United States. Based upon dollar volume of sales, approximately 65% of our industry is now part of NPTA membership.

Perhaps the most significant new endeavor during our past fiscal year was the holding of the first mid-winter conference of the Young Executives Forum. The second of these conferences has been held since the close of our fiscal year. And, it was an even bigger success, a unique learning opportunity for our talented and dedicated younger management people.

Management News itself is an outstanding example of how our Association is progressing. *MN* has developed into being the leading management magazine in our industry.

Action has brought about results. And, you guessed it people are responsible for the action. Those most responsible for our ongoing action are deserving of our recognition. I extend my thanks to our professional and responsive staff at NPTA headquarters and our many volunteer leaders who serve on our various committees and board of directors.

R W Abrams

Richard W. Abrams
NPTA Chairman

Paper Distributor's 1985 Financial Performance: A Mixed Bag

Each year, the NPTA surveys the paper distribution industry and develops an overall analysis of its status.

The summary findings are included here but cannot do justice to the great value of information compiled. For more completed results, consult the NPTA Paper Merchant Performance book just published.

The Association's 51st annual Performance Analysis Report (PAR), examining calendar year 1985 operations, represented 7.6 billion in paper merchant sales. A total of 212 different merchant locations were included in the sample, and the sales breakdown was $4.33 billion in printing paper sales, 1.18 billion industrial, and 2.10 billion for dual firms.

The Average Paper Merchant

The "average" printing, industrial and dual paper merchant is analyzed in this article by looking at key sales, profitability, and asset management measures. Performance is tracked for calendar years 1985 and 1984. A company may differ from these national averages, however it is useful to compare individual company results with these industry averages to see how well that firm has performed.

Composite means have been used for all data. These figures are the most meaningful, since they represent the performance of each group as a whole, yet they are weighted for large and small firms.

Sales Performance

Increased sales were much harder to come by in 1985 than 1984, for all three types of paper merchants. Although sales kept well ahead of inflation rates, the magnitude of these increases fell sharply from 1984 gains. As of August, 1985, the Bureau of Labor Statistics' producer prices for printing and industrial paper products were down 0.6% and 0.9%, respectively. Printing paper houses participating in the survey on average had a 5.7% increase in 1985, down sharply from 24.5% in 1984 and the lowest since 1982. Industrial merchants did a little better at 7.6% (down from 11.9% the prior year, also lowest since 1982). Dual merchants' sales barely inched up 1.6% in 1985, versus a 14.3% gain in 1984.

Printing paper merchants had the largest share of direct sales relative to the total once again, but it fell to about 49%. By comparison, this level fell from 28% to 23% between 1984

Table 1 THE AVERAGE PRINTING PAPER MERCHANT

COMPOSITE MEANS*	1984	1985
SALES PERFORMANCE		
Percent Sales Change Over Prior Year (%)	24.50	5.68
Warehouse Sales As % Total Sales (%)	43.47	45.82
Direct Sales As % Total Sales (%)	53.98	48.96
Avg. Warehouse Order Size ($)	$398.74	$406.48
PROFITABILITY & OPERATING EXPENSES		
Net Profit Before Tax As % Net Sales (%)	2.77	2.58
Warehouse Gross Margin As % Warehouse Sales (%)	22.22	22.72
Indirect Gross Margin As % Indirect Sales (%)	17.46	17.34
Direct Gross Margin As % Direct Sales (%)	6.24	6.59
Operating Expenses As % Gross Trading Margin (%)	81.81	83.26
ASSET MANAGEMENT		
Inventory Turnover (Whse. only, times per year)	4.93	4.33
Days Sales In Accts. Receivable On Nov. 30 (Days)	41.51	44.36

*Composite means reflect the performance of each group as a whole.

and 1985 for industrial merchants, and was up from 36% to 40.5% for dual merchants.

The average warehouse order size in a printing paper house stood at $406.48 (up 1.9% in 1985), $245.27 (down 12%) for industrial paper merchants, and $340.55 (up 0.8%) for dual merchants.

Furthermore, the smallest printing paper and industrial merchants seemed to have had the best sales gains in 1985, while dual firms in the $10–25 million size had the best increases.

Profitability Performance

Although sales gains were much more modest during 1985, paper merchants' operating costs were held in check and gross trading margins held up well. "Operating expenses as a percent of gross trading margin" were cut to 92.90% for industrial merchants and reduced to 85.87% for dual houses. The exception was printing paper houses, whose expenses rose to 83.26% of gross margins in 1985.

Similarly, "net profits before taxes as a percent of net sales" improved to 2.06% for industrial merchants, and held steady at 2.73% for dual houses. This measure slipped to 2.58% for printing paper houses, though.

Warehouse gross margins (as % warehouse sales) were improved across-the-board, and again were remarkably similar— in the range of 23%. Direct gross margins (as % direct sales) were also improved for all three types of merchants: to 6.59% for printing, to 13.43% for industrial, and to 9.54% for dual merchants. Indirect gross margins (as % indirect sales) were up to 18.84% for dual houses in 1985, while these margins slipped slightly to 17.34% for printing and 22.83% for industrial.

ROTA (return on total assets-not shown in this article's tables or charts) is probably the most important indicator of profitability. ROTA slipped from 12.20% to 10.48% for printing paper merchants and fell from 12.08% to 10.93%

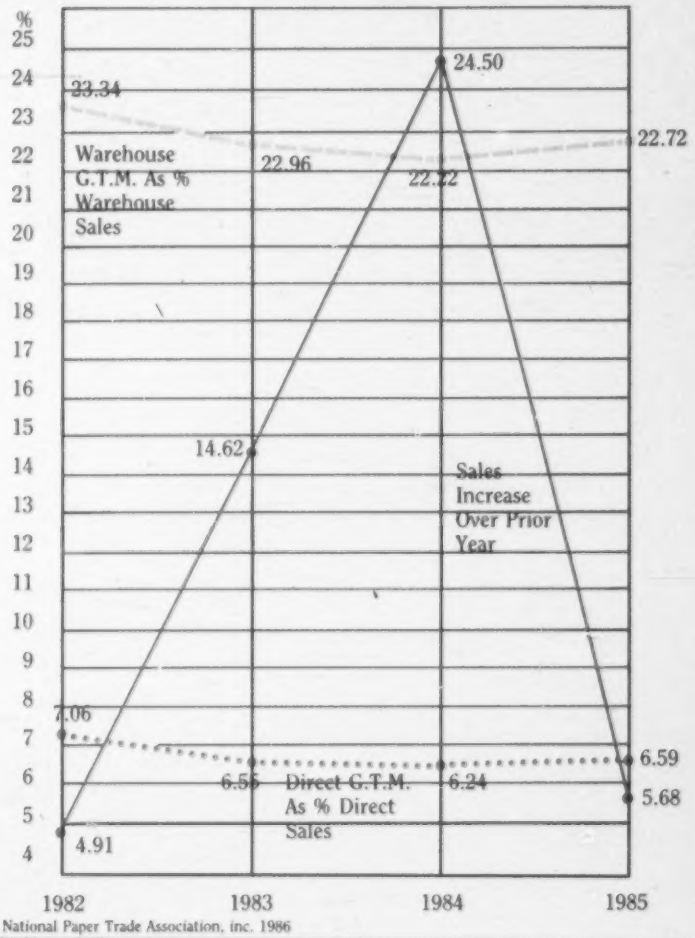
Table 2 THE AVERAGE INDUSTRIAL PAPER MERCHANT

COMPOSITE MEANS*	1984	1985
SALES PERFORMANCE		
Percent Sales Change Over Prior Year (%)	11.85	7.55
Warehouse Sales As % Total Sales (%)	66.26	71.01
Direct Sales As % Total Sales (%)	27.97	22.99
Avg. Warehouse Order Size ($)	$278.51	$245.27
PROFITABILITY & OPERATING EXPENSES		
Net Profit Before Tax As % Net Sales (%)	1.98	2.06
Warehouse Gross Margin As % Warehouse Sales (%)	22.65	23.45
Indirect Gross Margin As % Indirect Sales (%)	23.14	22.83
Direct Gross Margin As % Direct Sales (%)	12.66	13.43
Operating Expenses As % Gross Trading Margin (%)	94.48	92.90
ASSET MANAGEMENT		
Inventory Turnover (Whse. only, times per year)	6.32	6.55
Days Sales In Accts. Receivable On Nov. 30 (Days)	36.42	38.63

*Composite means reflect the performance of each group as a whole.

Chart 1

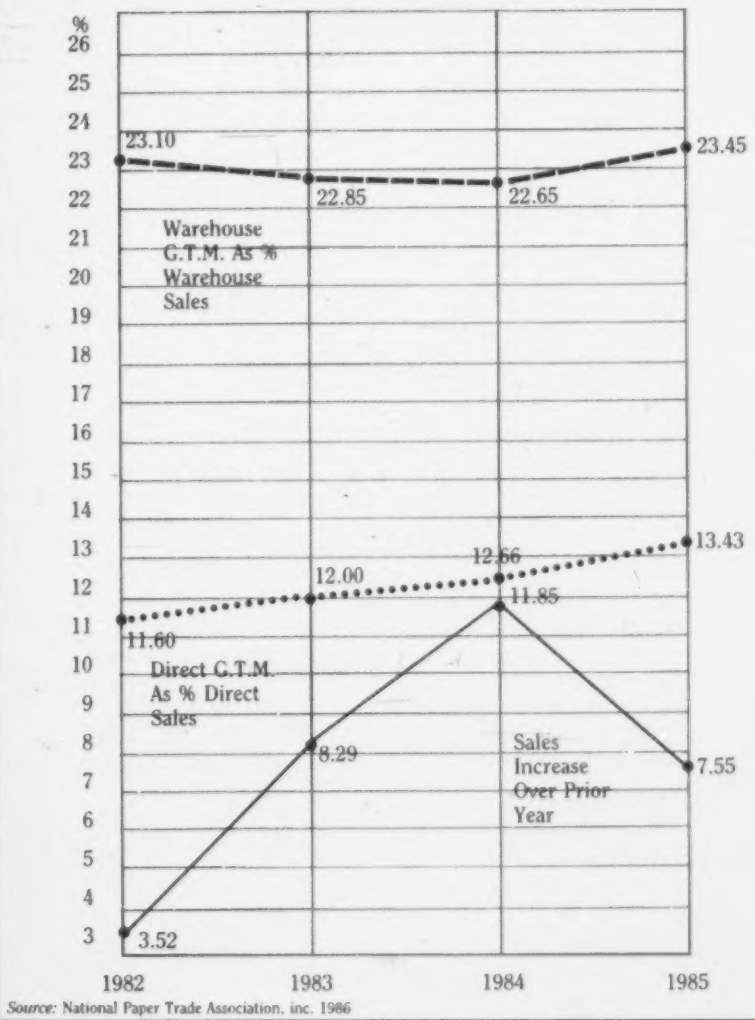
Printing Paper Merchant Performance



Source: National Paper Trade Association, Inc. 1986

Chart 2

Industrial Paper Merchant Performance



Source: National Paper Trade Association, inc. 1986

Editor's Note: 1985 PAR data is very comprehensive and could never be covered adequately in one article alone. MN will be publishing more and different financial statistics in upcoming issues. If more information on a specific measure is needed (by region, sales volume, profitability group, sales path, etc.), please call the NPTA Research Director.

for dual houses, but stayed virtually the same at 8.19% for industrial houses.

For this financial measure, medium-sized printing paper merchants did best, the smallest industrial houses did the best, and the largest dual companies had the highest ROTA.

Asset Management

Two measures most commonly used to track asset management are yearly inventory turnover and the days' sales in accounts receivable. About 52% of a typical paper merchant's total assets are tied up in receivables, and 31.5% in inventory (based on 1984 PAR results).

Apparently, paper merchants had a tougher year in 1985 with asset management. Printing and industrial merchants' collection periods rose to 44.36 days and 38.63 days, respectively in 1985. Dual houses' collection period was shortened slightly to 39.24 days. Inventory was turned over slightly faster in 1985 in industrial paper houses (6.55 times per year). However, turnover was slower for printing paper merchants (4.33 times) and much slower for dual houses (5.22 times, vs. 6.43 times in 1984).

Summary

As the economy completed its third consecutive year of recovery since the last downturn, sales growth slowed considerably for paper merchants. Overall, printing paper merchants had the toughest year of all three types of wholesalers. For them, operating expenses relative to gross profits rose, net profits before taxes slipped, ROTA dropped, their collection period lengthened, and inventory was turned over at a slower rate. The difference in sales growth between printing and industrial paper houses was widest on the eastern seaboard and in the midwest.

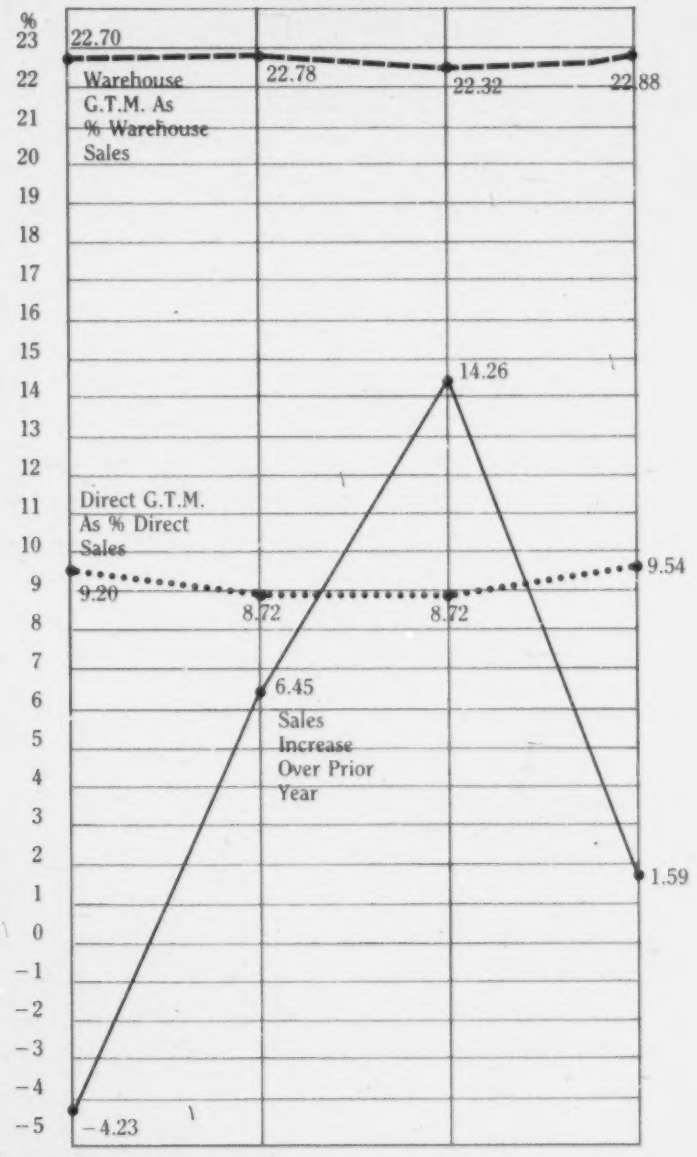
Table 3 THE AVERAGE DUAL MERCHANT

COMPOSITE MEANS*	1984	1985
SALES PERFORMANCE		
Percent Sales Change Over Prior Year (%)	14.26	1.59
Warehouse Sales As % Total Sales (%)	56.13	52.52
Direct Sales As % Total Sales (%)	36.11	40.51
Avg. Warehouse Order Size ($)	$337.79	$340.55
PROFITABILITY & OPERATING EXPENSES		
Net Profit Before Tax As % Net Sales (%)	2.73	2.73
Warehouse Gross Margin As % Warehouse Sales (%)	22.32	22.88
Indirect Gross Margin As % Indirect Sales (%)	17.96	18.84
Direct Gross Margin As % Direct Sales (%)	8.72	9.54
Operating Expenses As % Gross Trading Margin (%)	86.82	85.87
ASSET MANAGEMENT		
Inventory Turnover (Whse. only, times per year)	6.43	5.22
Days Sales In Accts. Receivable On Nov. 30 (Days)	39.55	39.24

*Composite means reflect the performance of each group as a whole.

Chart 3

Dual Paper Merchant Performance



Source: National Paper Trade Association, inc. 1986

Industrial merchants probably fared better in 1985 because their customer base is more diversified, and less affected by general economic conditions. Much of their business is related to "service sector" customers such as retail and fast food outlets, as well as maintenance products (janitorial supplies) used by manufacturers. Printing paper merchants are heavily reliant upon commerical printers, advertising trends, etc. Apparently, this sector was not as robust during 1985.

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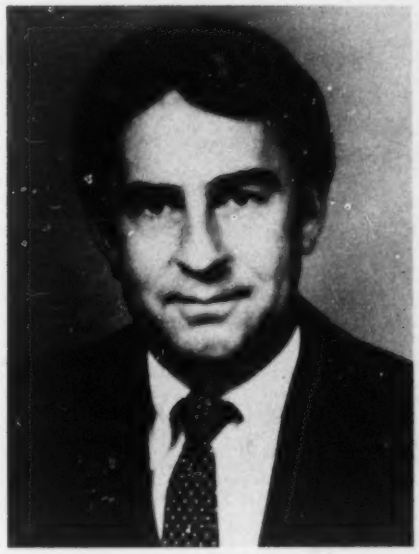

The fact is, based on my conversations with industry management, training is seen primarily as an expense rather than an investment.

by Michael Ibison

On April 1, 1986, after three years of consulting with and doing training work for the wholesale distribution industry, I became vice-president of marketing for a restaurant supply company in Oklahoma. The move has allowed me to return home to Oklahoma and to apply what I consider to be my profession in a more in-depth manner.

It is impossible to make this move without a mental review of what I have seen all across the United States and Canada. In that review, one area of distribution management stands out as the one most requiring attention. I believe that I can comment in an objective manner now and, perhaps, with more clarity.

That single area is the development, or lack thereof, of distribution employees. I refer not to just the sales force, but virtually every category of employee. The relatively limited training and development efforts I have seen tend to center on the sales personnel. Development of managerial skills, customer interface skills and personal development of all employees is severely lacking in general.

I believe there are two essential reasons why this condition exists. First, management apparently does not see the business value of training and development and, therefore, does not give attention to it. Secondly, past training efforts have proven largely unproductive and management is hesitant, in light of other financial demands, to spend time and money on training.

Given these two situations, I want to discuss why there is business value in a planned training and development effort, and how to get value for the investment.

Every employee hired by a company brings certain inherent abilities to the job. Often, hiring is not done particularly well and, therefore, the skills the employee brings may be limited. Regardless of the skill level present at the time of employment, in the absence of training and development, the employee is unlikely to advance beyond the level allowed by his initial ability. To the company, this means the return on the investment in an employee is limited to productivity based on the abilities of the employee at the time of hiring rather than on what the employee might become.

The fact is, based on my conversations with industry management, training is seen primarily as an expense rather than an investment. This is further borne out in my own experience. The companies that tend to do a lot of training and development tend to be experiencing good financial times. When that condition changes, one of the first things to be dropped is employee development. This clearly suggests that many managers see training and development as very optional and not directly related to the success of the company.

The major, long-term successful companies in America have a deep and consistent commitment to the on-going training and development of people. They have long ago recognized that training and development are significant contributors to individual and company-level productivity. The commitment is a part of how they do business and varies only marginally year-to-year. Given this evidence, why do companies, in general, continue to give limited attention to developmental efforts?

Many companies that have invested in training in the past have not seen the returns they hoped for from the investment. Very often, the returns have, indeed, not been present. There are three basic reasons why training efforts fail to achieve the impact hoped for:

- Management is not prepared to manage the concepts set forth in training.
- The training programs lack direct applicability to the needs of the employees.
- Management expects immediate results from a short-duration training effort.

In the first instance, managers often expect a changed and more productive behavior to result from a training program, yet they themselves undergo no

change in their method of management. In order for training to be effective, managers must be prepared to direct employees based upon the principles set forth in the training. This requires that the managers understand, and be committed to, the concepts established in the training. In the absence of those two factors, employees will perceive that managers are not serious about changed methods, and will revert to the behavior suggested by management attitudes.

Too often, the training program is selected casually. For example, sales training which is presented to a wide range of sales organizations may lack the specificity required for effectiveness in a more defined sales environment. Managers should ask the following question about any formal training being considered. "If our employees apply the principles in this training program, would the results be positive?" The answer should be a very assured "YES." Anything short of that suggests some question about the applicability of the training.

It seems to me that managers often expect that a short exposure to training will have significant and immediate impact on results. This is despite a shortfall of understanding and commitment to the training by management, and only limited certainty of the applicability of the training itself. Many companies, having little or no previous commitment to training, will conduct a two or three day program and go away feeling they have now done the training and development program. The reality is that the best and most applicable program establishes only a foundation from which progress will be made. The concepts must be managed and reinforced over time and behavioral change requires time to occur.

When the results are not dynamic in the short run, managers then question the value of the effort. Like diamonds, training and development are forever.

Companies in wholesale distribution must first see training and development as long-term investments in their company and its people rather than an expense to be managed. They must then see training as a foundation for success rather than the end-all for success. Training is done to influence and modify operative behavior among employees. Training that is not clearly designed to achieve that should not be done. It will confuse rather than help the employee.

For the paper distributor, a strong effort in improving the skills, knowledge and attitudes of employees through training and development may be the one primary way to establish and maintain prominence in the market. It has become virtually impossible to establish long term product, price or service advantages, because competitors simply cannot allow those advantages to exist for very long. Attracting and retaining high-quality employees in the future will depend on the employees' perception of the opportunity to grow and develop professionally with a given company.

Perhaps the most effective way to communicate my feelings on the issue of training and development is to tell you that on the second day of my new position, first stage training programs were put in place and the process for individual employee development programs begun. I know of at least one distributor who will have a long term commitment to training.

The National Paper Trade Association provides a wide range of training programs and learning opportunities to its member companies. These programs are carefully selected for applicability and quality. They are also presented at the most economical rates possible. Plan to take advantage of your membership by participating in these programs.

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The Salaried Tourist Dilemma

by Jack Carew,
Carew Positional Selling Systems, Inc.

I have been a consultant to many different companies and I have found that sales managers, regardless of the company, often have the same complaints about their sales force. They see that the old accounts are being adequately maintained, but they complain that their sales people have no enthusiasm for calling on new accounts. They can see that the sales force is busy every day, but it's obvious to management that their people aren't making the kind of sales calls that bring in new business. Instead, their sales people are spending too much time and energy calling on old and established accounts. Why?

It's called the "salaried tourist dilemma" and it's one of the most common problems in selling.

To understand a salesperson's reluctance to call on new accounts, it is important first to realize that when a salesperson goes out to face a new account, it is a high risk situation.

Consider how the experienced salesperson feels when he or she goes out to meet a decision-maker for the first time. If we could look inside the heart of some sales people at the moment of the initial sales call, I think we would find people who are unsure of how they will be treated.

This is because many of us, through no fault of our own, find ourselves in situations where we feel we are being beaten up with hostility, indifference, and contempt. And I do mean "beaten up." It's a terrible feeling to know you're not wanted; that the client doesn't have time for you...doesn't want to hear what you're saying...isn't interested in your product. A terrible feeling...and yet, sales professionals face it every day.

It is human nature to avoid these situations in which we risk being treated with indifference, hostility, or contempt. No salesperson wants to stick his or her neck out by visiting a new account. Instead, sales people look for safe havens where they experience acceptance and worth by spending time with established customers who have become friends, confidants, or close acquaintances.

Jack Carew

Playing the salaried tourist may provide immediate security, but I know that it may have a very disastrous, long-term effect on the individual salesperson.

How do I know?

From experience. There was once a time—and I hate to admit it—when Jack Carew himself was a salaried tourist. When it came to making sales calls on established accounts, I was an expert. With these clients, I had a warm, caring relationship of mutual trust and confidence. And they became my lifeblood. But, after a while, I would spend too much time with them just to avoid the rejection I associated with the pursuit of new business. Eventually, I had to admit to myself that there were a lot of things about seeking out new business that I didn't like.

I didn't like cooling my heels on a prayer bench in a drafty lobby waiting my turn to see the client, only to be called over to a corner of the lobby and told to "make it quick." I didn't like having two minutes to "make my pitch" standing alongside phony palm tree in a plastic pot littered with gum wrappers and cigarette butts. I didn't like being one of a half dozen anonymous sales people waiting around for my big chance to move product and services to a distant and arrogant buying influential. I felt the way many a salesperson before and after me has felt—intimidated and expendable.

Naturally, I preferred matured relationships of buyer/seller closeness in an atmosphere of warmth, mutual respect, and favoritism. I was the essence of a salaried tourist—a salesperson

who was compensated for making enjoyable calls on those who became good friends.

But there came a time when I had to face the facts, and the facts were that I wasn't bringing in new business. Normal attrition was eroding away my customer base, and I had nothing to replace it with. Like many of my colleagues, I was committing professional suicide on the installment plan.

The more frequently we retreat to safe havens, the bigger price we pay. Our skills begin to atrophy. Over the years, I have seen many senior level sales people and managers who have "de-skilled themselves" to an extraordinary degree by confining their activities to low-risk, maintenance sales calls that require less formal, conscious preparation. If we allow ourselves this luxury, we gradually lose the ability to call upon the skills necessary to acquire new business. After awhile, we can no longer make higher-risk, new business sales calls because we have lost our competitive edge.

Old accounts are the lifeblood of a company's business. However, market places change so rapidly that few companies can feel secure by simply maintaining current market share. The future of any company depends on its ability to increase its market share and grow.

For this reason, new accounts are the future of any company. And any company that allows its sales people to visit only those accounts where they feel comfortable has no future.

No matter how painful the experience, no matter how great the feelings of rejection, sales people must somehow meet the challenge of the future by securing new business with new account sales calls.

How can a sales person overcome the salaried tourist dilemma?

What can the sales manager give his people to help them conquer those feelings of powerlessness?

How do we give each sales person the tools he needs to make these high-risk, new account sales calls that lead to a greater sense of accomplishment and bring in new business for the company?

There's no single answer to all of these questions. In my years of sales skills development, I have discovered a central concept that seems to lie at the heart of many a salesperson's dilemma. That concept is positioning.

In sales it is critical to secure an advantage in the minds of buying influentials. Just as in any other competitive arena, the person who occupies the most favored, powerful, or influential position with the decision-maker will be successful in achieving his or her objectives. Selling is positioning.

Sales managers can also aid their sales people in establishing position with training that focuses on skills for identifying the buyer's needs, presenting solutions that address those needs, and overcoming possible buyer objections.

There is another positioning perspective. We have been dealing with the position we occupy in the minds of our customers and prospects. Now let us look at the position we occupy in our own minds. Do we see ourselves as intruders on our customers' time or do we see ourselves as valued resources?

To escape the salaried tourist dilemma, we must realize that we are professionals and position ourselves as resources important to our clients success. One way of actively becoming a valued resource is to provide the buyer with some specific information, perhaps information on future price increases, new product data, or a trend you perceive in the buyer's own marketplace. This information gives the buyer the security of some advance knowledge and earns you respect. You have now gained favored placement in the buyer's decision-making process.

As sales people, we must look, think, and act in a way which is consistent with the image we would like to project. Professionalism demands extensive preparation, crisp execution, and prompt follow-through. Sales professionals place a high value on the customer's time and are always prepared and focused. It is when sales people maintain this kind of professional posture that they are in position and at their professional best.

The NPTA Dimensions of Professional Selling Program

The need for a high level sales training program for the paper distribution industry has become clear during the past year. Responding to this need, the National Paper Trade Association has announced the adoption of the Carew Positional Selling System's program. "This is a most exciting tool that many of our members are now using to improve sales," said John J. Buckley, Jr., president of NPTA. "The system is responsible for such outstanding results in the form of increased sales, increased gross trading margins and increased market share for those companies that have chosen to use it."

For more information on this important new training program, contact the Education and Training Department at NPTA Headquarters.

NPTA Graduates Third Printech Week Class

On April 11 fourteen fine paper sales people completed NPTA's week-long graphic arts technology program at Rochester Institute of Technology (RIT). Five days of intense classroom instruction augmented by practical demonstrations and hands-on lab and press work provided participants with high level training.

"RIT is an extraordinary facility with state-of-the-art equipment and technology. It is an excellent choice for the NPTA program. We, at Champion, have been using RIT for several years as a training facility for our own technical and sales personnel," notes Printech Week's keynote speaker William Koch, manager, field technical service, Champion International Corporation.

Today's fine paper salesperson requires skills and proficiencies to be an expert in his field. They must be knowledgeable about new grades of paper along with their many characteristics, price changes and paper supply. Printech Week offers participants the opportunity to gain necessary training to be their customer's best consultant about "ink on paper" issues.

Printech Week students involved in sheetfed press work

By understanding the customer's equipment and concerns, the fine paper salesperson is able to recommend the right paper for the job and knows how that paper will perform on his customer's equipment. Printech Week helps merchants understand their customer's specific needs. Jean-Pierre Renaud, sales manager fine papers, Lauzier Little notes, "We have to talk the same language in order to relate on equal ground with our customers."

Graduates of NPTA's Printech Week include printing paper sales people, sales managers, marketing managers and branch managers. Their week's instruction encompasses such diverse areas as: principles of quality reproduction; the role of pre-press technology; characteristics and paper considerations of lithography (both web and sheetfed offset); flexography, and the new non-impact printing technologies; web offset for both heatset and non-heatset printing.

Problems solving, demonstrations and lab work represent a major aspect of the Printech Week program. In addition, scanner, proofing, platemaking, web and bindery demos are an integral part of the course work. "These sessions helped to make Printech Week a dynamic and challenging seminar. I would highly recommend it to anyone who has a serious interest in understanding today's printing technology," comments Jeffrey Flick, graphic consultant/sales promotion, The Cincinnati Cordage and Paper Company, General Paper Division.

Selected for their competency and technical background, the program's 14 instructors represent RIT's finest. Their objective is *not* to turn NPTA participants into trained press operators or troubleshooters, but rather, to turn sales people or their managers into knowledgeable paper consultants. The Printech Week program is designed for sales personnel with at least three years of industry experience, although others will benefit.

Paul Weaver, sales rep for Cordage Papers sums up the views of all, "The week I spent with the most up-to-date equipment and highly educated professors will be a real plus for my selling goals in the present and future—a real confidence builder."

To find out more about the next scheduled session on October 27-31, contact Bruce H. Linden, NPTA director of education and training at 516–829–3070.

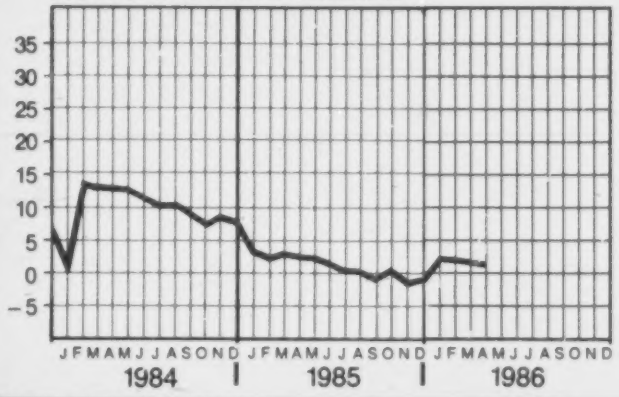
SUMMARY NATIONAL TREND INFORMATION: 1984 TO PRESENT

NOTE: *BEGINNING WITH THE JANUARY 1986 REPORT, STATISTICS WERE PRODUCED BY A NEW SYSTEM. THEREFORE, STRICT COMPARISONS TO PRIOR REPORTS SHOULD NOT BE MADE.*

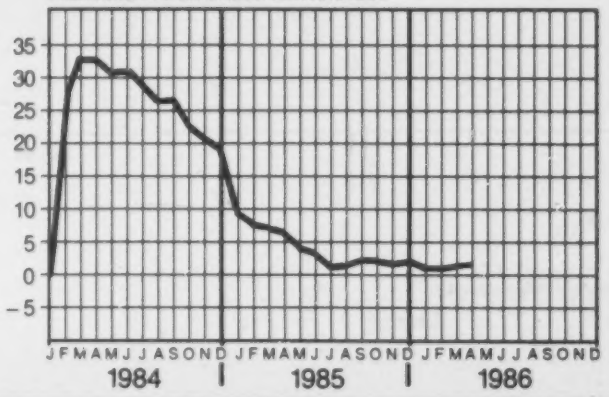
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



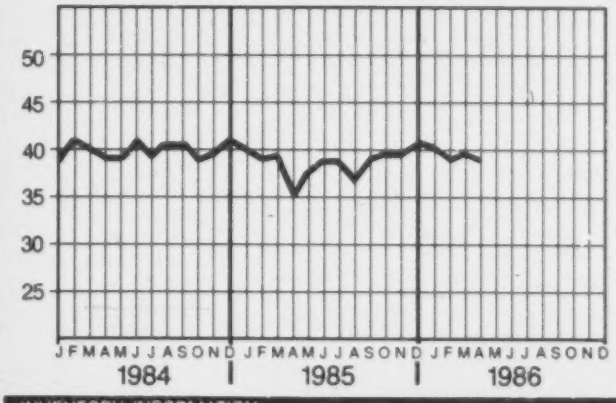
PRINTING PAPER SALES NATIONALLY



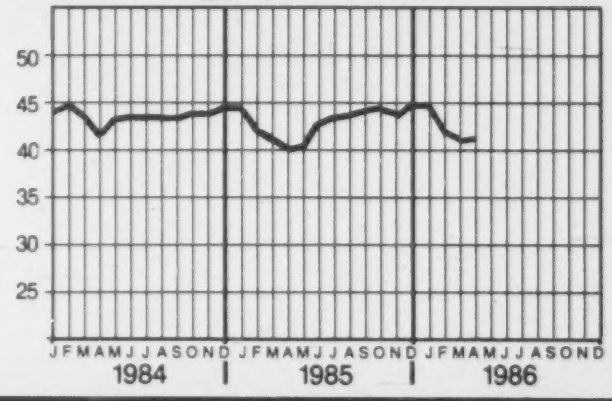
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



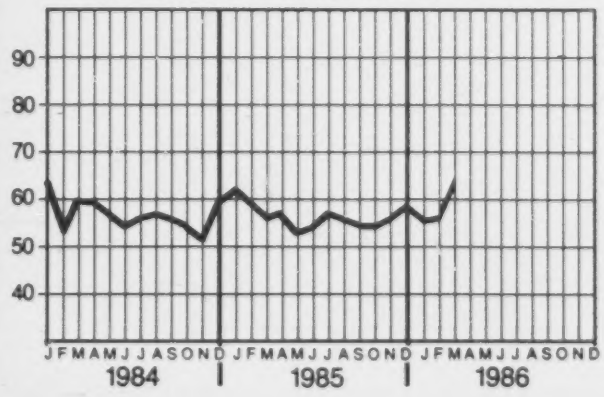
PRINTING PAPER RECEIVABLES NATIONALLY



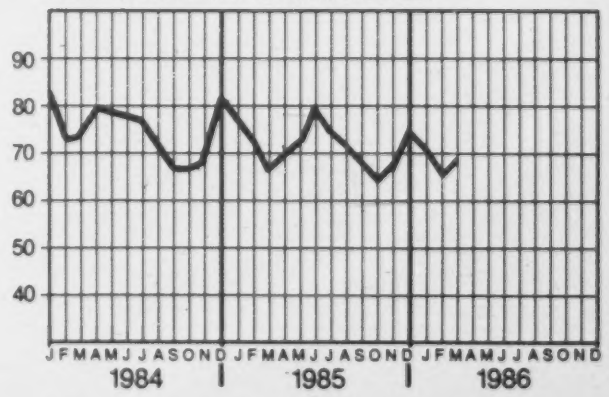
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



PLAIN ENGLISH PAYS

For years, advocates of plain English have claimed that clearly written and well-designed documents save time and money, but hard evidence has been difficult to come by. Now, a report by Professor Robert D. Eagleson, the Australian government's Special Adviser on Plain English Matters, offers several examples of the economic as well as the social benefits of plain English. The evidence that Eagleson collected vividly demonstrates that putting forms and documents into plain language has saved business and government thousands (sometimes millions) of dollars.

Last year, Professor Eagleson visited many of the groups on both sides of the Atlantic who are active in the plain English movement. Here, are a couple of examples of plain English projects:

When the Federal Communications Commission (FCC) issued its regulations for citizen-band radio that were written in legalese, the agency needed five full-time staff members to answer the public's questions. After the FCC rewrote the regulations in plain English, the questions stopped and the five staff members were assigned to other areas.

Citibank revised its forms so that both its staff and its customers understand them. This reduced the time spent training staff by 50% and improved the accuracy of the information that staff gave to customers.

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$10,000	$5.12	8½
$12,000	$6.15	10¼
$14,000	$7.17	12
$16,000	$8.20	13⅔
$20,000	$10.25	17
$25,000	$12.81	12⅓
$30,000	$15.37	25⅔
$35,000	$17.93	29¾
$40,000	$20.49	34⅛
$50,000	$25.61	42⅔

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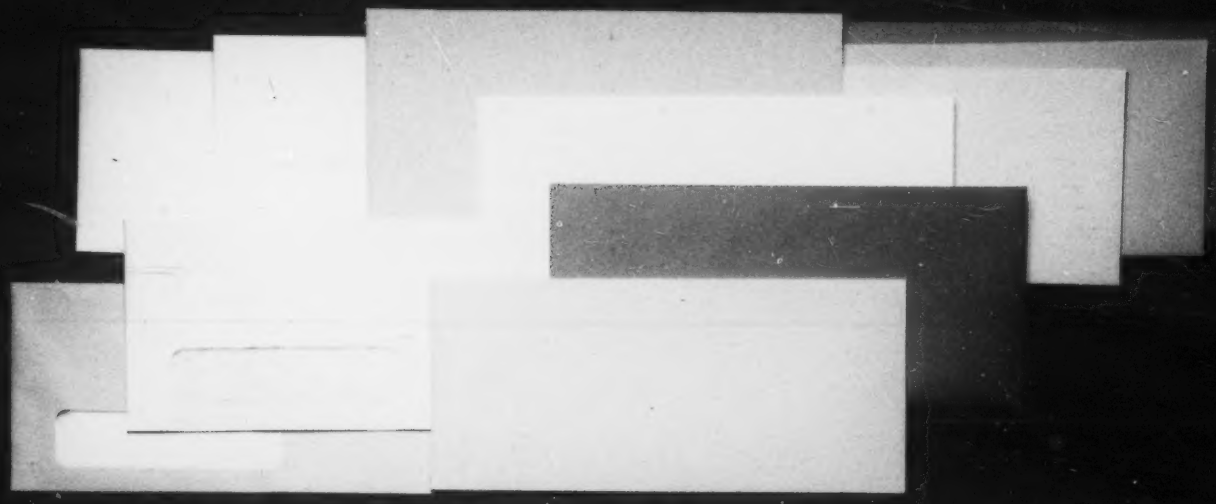
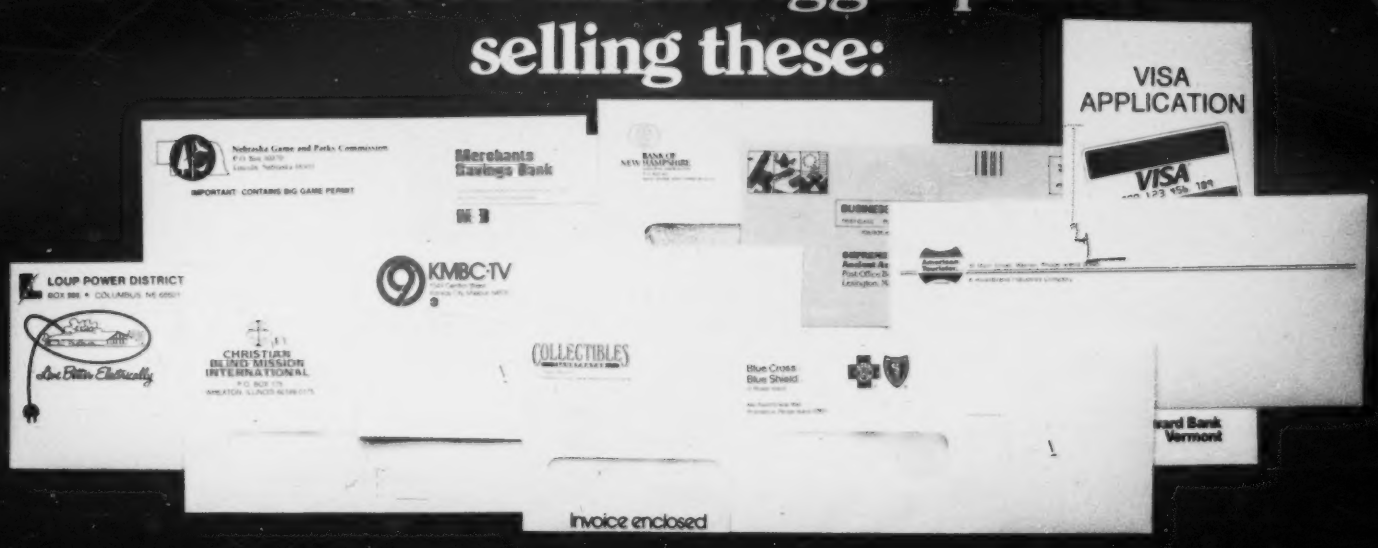


Or turn a much bigger profit selling these:



Why settle for less when you can have more? It's as simple as that — when it comes to selling plain envelopes versus printed envelopes.

Of course, it may take a little more effort to sell the printed envelope order. But your profit will make it all worthwhile. And your customers will appreciate what printed envelopes will do for their businesses. They'll show their appreciation by placing another order. And another. And another.

Then watch your profits grow.

Contact a service representative at the plant nearest you to find out about our Envelope Printing Guide and our new Envelope Printing Slideshow Presentation. Both are full of helpful tips on selling printed envelopes.

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Brooklyn, NY (Envelope Converters)
Union, NJ (Champion Envelope)

National Envelope Group
Atlanta, GA Lenexa, KS
St. Louis, MO Worcester, MA

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